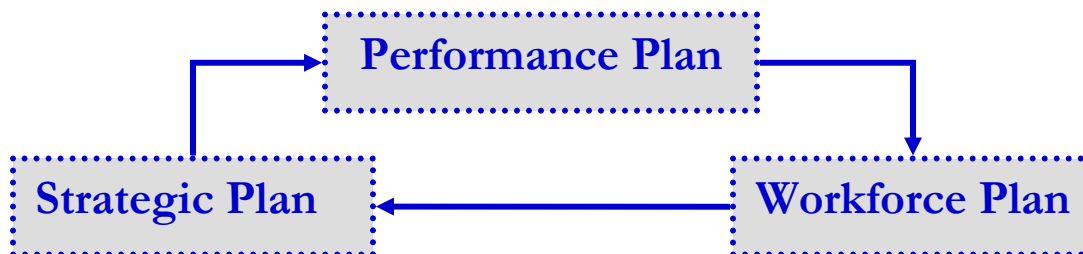


NIH Summary of Workforce Planning

Organizations are paying more attention than ever before to the impact that the constantly changing workforce has on productivity and organizational objectives. Management must rely on solid data to make intelligent and timely decisions that directly affect their organizations' overall performance. A Workforce Plan is the tool to help management meet their goals of analyzing the current workforce, identifying trends and accurately forecasting organizational requirements for the future.

This guide is designed to inform senior leadership at NIH Institutes and Centers (ICs) about workforce planning and to assist them with developing Workforce Plans. It includes procedural guidance, a summary of each step in the NIH Workforce Planning Model, and listings of the major workforce planning tasks. The guide is intended for use at the IC and higher levels although it may be modified for use at other organizational levels. The term "IC Director" as used in this guide, includes Directors' designees with authority to carry out workforce planning responsibilities. For additional information on this topic, please refer to the Workforce Planning site on the NIH Portal. You can reach it by clicking on this link - [NIH Workforce Planning](#).

WORKFORCE PLANNING SUMMARY



1. What is WFP?
2. Workforce Planning Model
 - a. Essential organizational elements
 - b. Plan components
 - c. Functional considerations
3. Why do workforce planning?
4. Who does workforce planning?
5. NIH Workforce Planning Model

Appendix A.

Workforce Planning Matrix

Appendix B.

Workforce Planning Procedures

WHAT IS WORKFORCE PLANNING?

Workforce Planning is a methodical process that provides managers with a framework for making human resource decisions. NIH's mission, strategic plans, and Government Performance and Results Act (GPRA) Performance Plans drive workforce plan development. The budgetary resources available to implement the Plans are a major consideration.

Planning for human resource needs is one of the greatest challenges facing managers and leaders. In order to meet these demands successfully, it is essential that we use uniform processes like workforce planning to provide a disciplined approach for matching human resources with anticipated needs.

As NIH develops strategies to support the achievement of both long-term and annual performance goals, workforce planning should be included as a fundamental and key management activity. Workforce plans link business strategy with performance measurement and human capital investment; describe organizational direction and clear, measurable program goals and objectives; and identify the skills needed to build the workforce of the future. These attributes make workforce planning critical to quality performance that contributes to the achievement of program objectives. Particularly during times of significant budget reduction or increases, completing the processes provides a basis for justifying budget allocation and workload staffing levels.

Although workforce planning is always directly linked to a broad-based management strategy, it is a dynamic and flexible framework to accommodate different scenarios. The model used can be as complex or as simple as organizational needs dictate.

Essential Organizational Elements for Successful Workforce Planning

The following organizational factors provide the framework for workforce planning:

- Top management support
- Accountability at all levels with the organization
- Integration of other planning processes with workforce planning
- A simple, systematic and well-documented process
- Integration of budget levels and performance appraisals

Workforce Planning Components

A review of several models has shown that, although workforce planning tasks and inputs may vary depending upon specific organizational needs, the general course of action relies on:

- Multiple, integrated planning processes
- Forecasting the workforce's skills needs
- Workforce supply analysis
- Gap analysis
- Strategy development
- Evaluation processes

The NIH Workforce Planning Model (see Page 8) incorporates these components into five steps based on the OPM-approved model developed by the Human Resources Management Council, an interagency group. The model is also similar to the one promoted by the International Public Management Association for Human Resources. The Appendices to this guide describe workforce planning processes – their inputs and outputs and the NIH participants likely to work on each one (Appendix A) and procedures (Appendix B).

Functional Considerations

Workforce planning involves many functional considerations, but two are the most important.

- **Planning Time Frame**

You must consider how far into the future you should project when carrying out workforce planning. This decision is difficult because it requires that managers balance the advantages and disadvantages of the short-range and the long-range options, while keeping in mind the importance of meeting longer-range objectives. The following table compares the two options.

PLANNING OPTIONS	LONG RANGE	SHORT RANGE
ADVANTAGES	Allows increased flexibility in planning workforce transitions.	Has a higher level of certainty when known variables are considered.
DISADVANTAGES	Requires regular validation analyses of future workforce needs.	Requires more drastic management of workforce transitions.
		Involves increased risk of missing important factors by not looking far enough into the future.

A three- to five-year time frame for workforce planning generally provides a reasonable balance between the two extremes.

- **Planning Levels**

There is no single way to address the planning level decision. Factors such as the size of an organization, the way it is organized, and the way its programs are managed and budgeted, all have impact. The most useful guideline in determining the appropriate organizational level for developing workforce plans is to make sure that outputs will relate to *strategic* organizational or programmatic objectives. This approach leads to carrying out workforce planning on a program-level basis or, for staff organizations, on a functional-level basis.

The workforce planning model we will use at NIH provides for flexibility to adapt it to Institutes, Centers, and Offices. This will allow us to determine planning levels that make managerial sense and that support strategic plan objectives.

WHY DO WORKFORCE PLANNING?

- **OMB/HHS Expectations**

The emphasis in budgeting has shifted from workforce reduction to workforce management. In addition, the Office of Management and Budget (OMB) is increasingly stressing the link between dollars and personnel. OMB currently requires that agencies accompany staffing requests with documentation that ties their requests to overall staffing goals. The Human Capital Standards of Success (Balanced Scorecard) are used to evaluate an agency's human capital strategies as well as require that all workforce management tasks are carried out.

In order to meet these requirements, and to present strong justifications for appropriations, the HHS Budget Office has asked Operating Divisions (OPDIVs) to apply workforce planning methods and techniques when developing staffing requirements. Managers are expected to include workforce planning outputs (such as workforce analyses) among supporting documentation for budget justifications. The goal is to combine budget, program performance, and staffing priorities into a cohesive strategy.

- **Strategic human resource decisions help eliminate surprises and allow us to take advantage of opportunities**

Workforce planning helps us forecast future conditions and develop objectives for our scientific programs that satisfy NIH as well as IC needs. The predictions allow managers and HR providers to anticipate change and afford us the time needed to develop strategic approaches for handling workforce issues. With this advance notice, HR professionals and management representatives can recruit more efficiently for scarce skills and specialized talents, ensure that candidates are in the pipeline to fill vacancies as they occur, and develop internal talent to meet future project needs.

Currently, more than 21 percent of the NIH workforce (and 86 percent of our Senior Executive Service) will be eligible to retire voluntarily by the year 2009. Workforce planning will help us identify the skills and knowledge we may lose so that we can develop appropriate retention, training, succession and replenishment strategies.

- **Expenditures must be linked to long-term goals and objectives**

Employees and contractors are expensive. Workforce planning allows us to hold down the costs associated with workforce turnover, replacement, and retraining by helping make HR processes more efficient and effective. Other benefits of workforce planning include:

- Strategic decisions on the functions that should be staffed with employees rather than contracted out;
- Better background information for position management;
- Better linkage between training and performance goals;
- Useful information on EEO, diversity, and other workforce characteristics;
- Efficient HR operations as a result of fewer “fires” to extinguish; and,
- Reduced HR costs because there are fewer talent “surpluses,” furloughs and reductions in force.

- **Recruitment, training and development, and other human resource management decisions must be linked to organizational goals**

Findings from a General Accounting Office study note: “Only when the right employees are on board and are provided the training, tools, structures, incentives, and accountability to work effectively is organizational success possible.” [Major Performance and Management Challenges and Program Risks: A Governmentwide Perspective, (GAO/OCG-99-1), United States General Accounting Office, Washington, D.C., January 1999] Workforce planning products ensure a linkage between human resource management programs and the organizational objectives they support.

- **Changes in program direction must be addressed**

Workforce planning allows managers to identify the impact from new and changed programs or strategies. WF Plans may, for example, introduce technology that affects the type of work being performed, the way work is performed, and/or the skills the workforce will need. Program changes may require expedited hiring for scientists in order to deal with new diseases, bioterrorism, or public health emergencies. Other priority revisions may require downsizing labs or entire activities resulting in major placement or retraining initiatives.

WHO DOES WORKFORCE PLANNING?

Workforce planning is a shared responsibility. Senior leadership drives the process, ensuring that implementation procedures and policies address key issues such as the following.

- Budgeting for program priorities
- Key milestones in plan development and schedules
- Identification and assignment of major roles and responsibilities
- Integration and implementation processes that cross organizational boundaries
- Communication plans to inform the workforce
- Critical success factors and performance indicators to measure and assess progress

IC Planning Staffs or Executive Officers lead workforce planning teams at the IC level. The teams may be formal or informal, but they must allow for informational inputs from key areas such as budget, HR and program offices. Their primary responsibilities are to manage Plan development, monitor Plan implementation, and report on Plan progress and results so that operations can be modified when necessary. Branch Chiefs in the Client Services Division, Office of Human Resources (OHR) should be knowledgeable about workforce planning and able to assist the ICs.

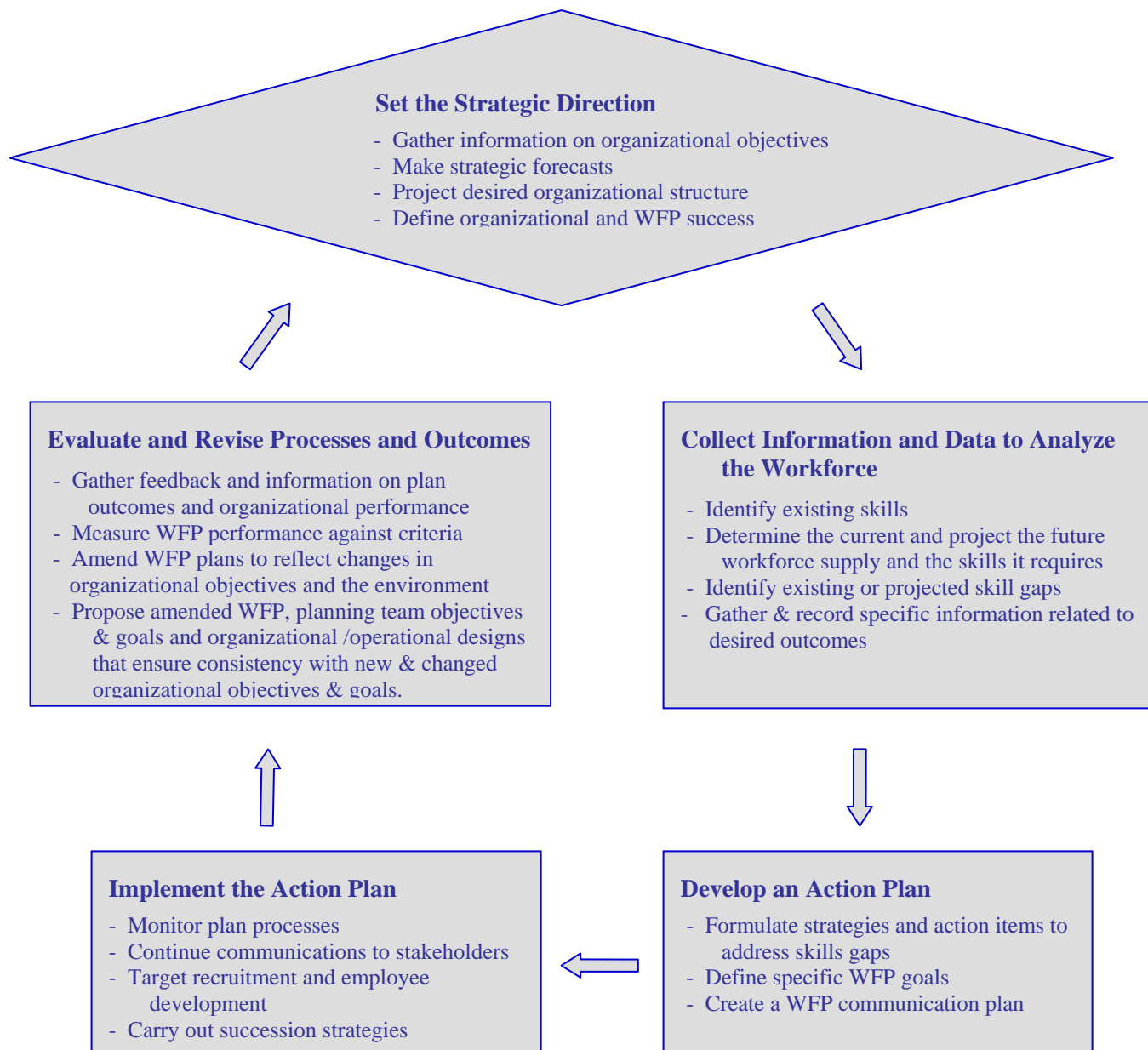
Conclusion:

Many individuals take part in workforce planning but we all share in its rewards. Managers, human resources professionals, budget staffs, and strategic planners are better equipped to develop successful and efficient operations and plans. Better controlled and more efficient HR programs and operations reduce workforce disruptions, creating a more secure and comfortable environment that inspires confidence among current and prospective workers. This establishes the potential for a more satisfied and productive workforce.

Remember – workforce planning is an ongoing process. Following the five steps outlined in the [NIH Workforce Planning Model](#) can successfully guide Management and the WFP Team through the development, implementation and evaluation of Workforce Plans.

For further information on developing or implementing a Workforce Plan, please contact the OHR Strategic Programs Division on 301-496-4851.

NIH WORKFORCE PLANNING MODEL



Appendix A.

WORKFORCE PLANNING (WFP) MATRIX

Activity	Input	Outputs	Participants
Set the Strategic Direction	<ul style="list-style-type: none"> * DHHS and NIH mission and vision statements * Strategic plans * GPRA Objectives * NIH Roadmap * Management assessment of program direction 	<ul style="list-style-type: none"> * Organizational goals and objectives * WFP objectives, milestones, and measures * Communication objectives 	<ul style="list-style-type: none"> * Senior management
Collect Information and Data to Analyze the Workforce	<ul style="list-style-type: none"> * Workforce demographic and transaction data * Workforce skills/ experience data; workload measurement inputs * Administrative consolidation information * Desired mission vs. support mix * A-76 information and projections * Budget plans * Supply analysis data; demographics, employment trends; skills inventory * Needs analysis data; future skill needs; staffing levels 	<ul style="list-style-type: none"> * Workforce profiles (such as age, grade, service, occupation, permanent/ temporary tenure, supervisory ratio, and diversity) * Trends/predictors (such as turnover, retirement rates, and replacement patterns) * Analysis of differences between current workforce and future needs; priorities for addressing change * Workforce skills inventory; workload measurement data * Targets for recruitment and placement 	<ul style="list-style-type: none"> * Program managers, executive officers, supervisors and staff * CSD staff * SPD HR staff * Union representation * Optional: Contractor support, internal consultants
Develop an Action Plan	<ul style="list-style-type: none"> * Output from Gap Analysis - identified "gaps" between current workforce and workforce needed for the future * Output from workforce skills inventory * Workload measurement data * Communication objectives * Analysis of interventions needed for transition such as internal and NIH wide targeted freezes 	<ul style="list-style-type: none"> * Future workforce profile – skills, numbers, levels * Succession plans * Strategies/options for workforce transition such as buyout/VERA requests 	<ul style="list-style-type: none"> * Senior management * Program managers, executive officers and supervisors * GPRA planning staff (if separate), budget formulation staff * CSD HR staff * SPD HR staff * Optional: Contractor support; internal consultant

Appendix A.

WORKFORCE PLANNING (WFP) MATRIX

Activity	Input	Outputs	Participants
Implement the Action Plan	<ul style="list-style-type: none"> * Future workforce profile; skills numbers, levels * Analysis of differences between current workforce and future needs; priorities for addressing change * Succession plans 	<ul style="list-style-type: none"> * New workforce profile * Recruitment data and information * Organizational performance data * WFP performance audit findings * Feedback from stakeholders 	<ul style="list-style-type: none"> * Senior management; program managers, supervisors, executive officers * CSD staff * Optional: Contractor support; internal consultant
Evaluate Outcomes and Revise Processes	<ul style="list-style-type: none"> * WFP objectives and measures * Recruitment and placement targets * Feedback from stakeholders 	<ul style="list-style-type: none"> * Requests for new or additional information * New WFP objectives and measures * Revised current and projected workforce profile; skills numbers, levels * Revised gap analysis; priorities for addressing change * Workforce skills inventory; workload measurement data * Recruitment and placement targets * Revised succession plans * Revised strategies/options for workforce transition such as buyout/VERA requests 	<ul style="list-style-type: none"> * Senior management * Program managers, executive officers, and supervisors * GPRA planning staff (if separate), budget formulation staff * CSD HR staff * SPD HR staff * Optional: Contractor support; internal consultant

NIH Workforce Planning Procedures

STEP 1: SET THE STRATEGIC DIRECTION

This is the critical first step in workforce planning. At the NIH level, senior leadership ensures that Workforce Plans support the overall mission and objectives of NIH. They incorporate guidance such as that reflected in the overall NIH mission, Roadmap, and Government Performance and Results Act (GPRA) Performance Plans; hiring and placement restrictions; A-76 decisions; and findings from other workforce studies.

NIH Management uses these tools to make strategic forecasts for the next two to five years. Their predictions describe staffing targets, the organizational structure the Plan will support, and other critical success factors for measuring and later evaluation. The goals they establish lead to specific action items that Workforce Plans need to address in order to achieve the desired results.

STEP 2: COLLECT INFORMATION AND DATA TO ANALYZE THE WORKFORCE

The second step in preparing a Workforce Plan is to gather and record specific information related to the outcomes that Management defines when setting the strategic direction. This information gathering can be initiated by Workforce Planning (WFP) Teams.

Typically, WFP Teams are comprised of senior program and financial/budget officials along with human resources specialists from the Client Services Division, OHR (for IC workforce planning) or human resource specialists from the Strategic Programs Division (for NIH-level workforce planning). Specialists from the SPD are available to assist Client Services Division staff as functional experts in the analysis and development of Workforce Plans.

Based on Management's strategic forecasts and goals, the WFP Team identifies the data and information they need to analyze. They consider many factors like workforce turnover, attrition rates and other demographic metrics; and the current workforce's skills and potential for development. SPD assists the Client Services Division and NIH-level officials with obtaining and analyzing demographics and workforce data such as the number of workers in various categories, hiring and separation trends, etc. Client Services Division staff provide IC management with the data and their analyses.

Data on the entire IC population and on employees in targeted occupational fields is essential in identifying potential areas of concern, and information such as the cost of hiring and training workers in those occupations or positions is critical to understanding how plan objectives can be met. Teams also look at factors that may adversely affect applicant hiring. For example, if a work location is not desirable, they may suggest that Management consider using enticements like recruitment or retention bonuses to recruit and retain desirable job candidates.

It is also beneficial to compare rates of entry into educational programs and graduation from the programs, with the successes and challenges that NIH has experienced while attracting prospective workers and retaining employees. Student information is maintained at the Department of Education, the Department of Labor, public and private educational and training institutions, health professionals' registration and licensing systems, and agencies sponsoring international students and workers.

The Client Services Division provides WFP Teams with information on staffing processes and other important workforce planning considerations such as historical staffing problems and successes, and the average lead time involved in recruiting applicants for the occupations or positions affected by Plan objectives. Management provides the Teams with information like the staffing and training options that are inconsistent with organizational objectives.

The final activity in WFP information collection and analysis is identifying potential skill gaps. Gap analyses identify when the current workforce is projected to fall short of future needs by identifying and comparing the skills and competencies of the current workforce with the skills and competencies the future workforce must have to perform successfully. Future needs are based on changes to programs that occur over time and data such as retirement and other projections for attrition. Workforce Plans also identify when the demand for skills or workers will exceed the supply, and when the supply of available workers will be inconsistent with demand. The results of these analyses drive Workforce Plan development. The analyses are dynamic to ensure that the WFP model remains valid as the employment environment changes, and to make certain that objectives in support of the organization's performance goals will always be met.

STEP 3: DEVELOP AN ACTION PLAN

The third step in workforce planning is to take all of the information that has been collected and analyzed and turn it into an action plan for establishing the projected organizational structure and for eliminating the skill gaps and excesses identified during gap analysis. The goals described in WFP strategies must be defined as specifically as possible to drive the development of effective Workforce Plan action items.

The succession strategies put into place communicate management's need for targeted recruitment or targeted employee development. This may include cross-training existing staff to fill anticipated skill gaps, or identifying targeted areas of recruitment if cross-training is not a viable option. But, in all cases, Workforce Plans are designed to put the right employees in the right jobs without violating merit systems principles.

WFP Teams coordinate with subject-matter experts to synchronize workforce planning responsibilities. Ideally, they will collaborate with subject-matter experts to propose strategies for hiring and training the numbers and types of employees and contract personnel that Management projects are required to staff each program area. To ensure that their recommendations are feasible, Teams consider the availability of qualified job candidates, turnover rates, training needs, and costs associated with new and existing staff, including annual salary increases.

Workforce Plans should also describe practices that will be followed to communicate general Plan information. The Plans incorporate decisions that may require workforce reductions or the elimination of positions and/or functions. It is crucial to keep the workforce informed of pending decisions like these, starting early in Plan development, to help reduce workers' anxiety about their future at NIH. Likewise, ongoing stakeholder communication is essential to keep others that have a vested interest in the organization informed about the relationship workforce planning efforts have to accomplishing NIH's mission and strategic goals. Additionally, WFP Teams need to keep IC management informed about their progress and about Plan implementation.

Workforce Plans should also clearly describe administrative details. They should explain that Management approves Plans before they are put into action, and describe the stages at which IC Directors and other management officials will approve draft Workforce Plans; and how Plans will be submitted for approval. Plans should also include procedures for updating managers on Plan implementation; for reporting to the Team on progress, accomplishments, and impediments that threaten Plan completion; and for proposing changes to the Plan. Plan schedules explain how to track work and outcomes.

Since change is inevitable, Workforce Plans need to be reviewed at least annually to ensure that they remain consistent with the current goals and objectives of the organization. Plans should also describe how these reviews will be accomplished. Recording the date that each Plan activity is defined helps facilitate updating Plans by making it easier to identify the sections affected by subsequent instructions or other later developments.

STEP 4: IMPLEMENT THE ACTION PLAN

So now that a strategic direction has been established, data has been collected and analyzed, and an action plan has been created, it's time to implement!

Implementation procedures must be communicated to the people that will carry them out to make sure that their responsibilities are clear to them. In addition, regularly monitoring Plan processes is essential to ensure that the Plan stays on target.

STEP 5: EVALUATE OUTCOMES AND REVISE PROCESSES

The final step in workforce planning is to ask, "Did the Plan achieve the expected results?" If not, the WFP Team works with Client Services Division staff to help IC leadership identify reasons for the deviations and develop a strategy to improve their Plans.

Workforce Plan and Planning Team achievements and results should be assessed to determine whether Plan processes or timelines were faulty, whether the Plan failed to address important parameters or variables, or whether it was affected by unforeseeable changes that developed after the Plan was finished. For example, there may have been major changes to government policies, in health situations that NIH researches, or in other areas that had impact on Workforce Plan results. New organizational objectives may have been established, or existing goals may have changed. Or, human resource issues not specifically related to workforce planning may have been examined, resulting in changes to operations included in Plan provisions.

Occurrences such as these make it essential to review and update Workforce Plans regularly and systematically, at least yearly. Ideally, Plan reviews should be timed to coincide with fiscal year budget and senior staff's performance contract appraisal cycles. Coordinating these related activities allows them to be looked at together as opposed to operating in a vacuum.

WFP Teams should correct and amend Workforce Plans based on what they find when monitoring and evaluating Plan outcomes and results. But before starting this task, Teams should report to Management on their findings, including information such as staffing and training statistics and other Plan outcomes. The feedback may prompt IC Directors to alter their WFP Teams' composition or operating mechanisms. Changes like this should be made before subsequent WF planning cycles begin so that Management can provide their (new) WFP Teams with general direction before the Team begins discussing the prior Plans' outcomes and updating the Plans.

Teams draft Plan amendments based on new and changed program priorities, budget allocations, and other Plan inputs. (See the WFP Matrix on Pages 9 and 10 of the Summary.) The same procedures are used to update Plans as were used to develop and implement the original versions. Afterward, the revised product becomes the current operating Workforce Plan.